

TOP SECRET

EUROPE

1. AUSTRIA: Soviet motives in police case--US Legation
Vienna expresses the view, in making an appraisal of current Soviet motives in Austria, that under present circumstances it would seem to be advantageous to the USSR to "tread softly in Austria". The Legation points out that the Soviet command has a security problem as long as Soviet troops remain in Austria in combat strength. Moreover, the Austrians are constantly "nibbling away" at the Soviet security controls, particularly in the police and communications administrations, thereby necessitating the restoration of these controls by the USSR. The Legation believes, therefore, that the opposition of the USSR to the Austrian dismissal of five Communist police chiefs in Vienna has the "limited objective" only of maintaining these security controls. The Legation notes that the Austrians have been much encouraged by the support given them in the Allied Council by the Western Powers, and adds that continued support will be an "important factor" in the maintenance of a firm Austrian attitude toward Soviet interference.

NEAR EAST-AFRICA

2. INDIA: Developments in Nepal situation--According to US
Ambassador Henderson, the Nepalese Ambassador in New Delhi believes he has convinced Prime Minister Nehru of the advisability of working out a settlement with the ruling Rana family in Nepal, and expects to be authorized to return to Nepal bearing India's terms. The Nepalese envoy expressed to Nehru his confidence that the Ranas would do whatever the Indian Government wanted them to do, even if that involved the resignation of the Maharaja as prime minister. The Ambassador added,

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however, that he had advised strongly against an Indian effort to have the old King of Nepal reinstated, arguing that the latter had unforgivably affronted Nepalese pride by his recent actions.

Meanwhile, US Embassy London reports that the UK, pending a British Cabinet decision on the Nepalese question, is attempting to restrain India from carrying out its previously communicated decision to recognize the old King as the legitimate ruler of Nepal.

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